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SERVICE DATE – JULY 17, 2015

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35936]

Piedmont Railway LLC—Lease and Operation Exemption—North Carolina Department of Transportation

Piedmont Railway LLC (Piedmont),<sup>1</sup> a noncarrier, has filed a verified notice of exemption under 49 C.F.R. § 1150.31(a)(3) to lease from the North Carolina Department of Transportation (NCDOT), and to operate, approximately 13 miles of rail line in Gaston County, N.C., consisting of the following two segments: (1) between milepost SFC 11.39 at Mt. Holly, N.C., and milepost SFC 23.0 at Gastonia, N.C.; and (2) the Belmont Branch, between milepost SFC 13.6/SFF 0.13 and milepost SFF 1.56, including all sidings, industrial tracks, yard, and storage tracks, pursuant to a lease and operating agreement dated May 13, 2015.

This transaction is related to a concurrently filed verified notice of exemption in Iowa Pacific Holdings, LLC and Permian Basin Railways—Continuance in Control Exemption—Piedmont Railway LLC, Docket No. FD 35937, in which Iowa Pacific Holdings, LLC and Permian Basin Railways seek Board approval to continue in control

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<sup>1</sup> Piedmont is a new, limited liability company and an indirect corporate subsidiary of Iowa Pacific Holdings, LLC, which owns 100 % of Permian Basin Railways, Inc., which in turn will own 100 % of Piedmont.

of Piedmont under 49 C.F.R. § 1180.2(d)(2), upon Piedmont's becoming a Class III rail carrier.

According to Piedmont, it will replace the existing rail carrier, Piedmont and Northern Railway, LLC, a subsidiary of Patriot Rail Company LLC., and will be the sole provider of common carrier rail service on the 13-mile line pursuant to the "change in operators" provision of section 1150.31(a)(3).

Piedmont certifies that the projected annual revenues as a result of this transaction will not result in Piedmont becoming a Class I or Class II rail carrier and will not exceed \$5 million. Piedmont states that there are no agreements applicable to the line imposing any interchange commitments.

Piedmont intends to consummate this transaction on or about August 1, 2015. If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed by July 24, 2015 (at least seven days prior to the date the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35936, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on applicant's representative, John D. Heffner, Strasburger & Price, LLP, 1025 Connecticut Ave., N.W., Suite 717, Washington, DC 20036.

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Decided: July 13, 2015.

By the Board, Joseph H. Dettmar, Acting Director, Office of Proceedings.